



STATE OF COLORADO  
CENTRAL COLLECTIONS

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## DEBT NET CENTRAL COLLECTIONS



### On the Horizon By Verneeda White



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My Brother

1 Well, another year has come and gone. All in all, we at Central Collection Services (CCS) have fared pretty well. Now it's time to look forward to the New Year. On the horizon, CCS has a number of new initiatives.

#### 2 CCS partners with new private collection companies

2 Through the State's Request for Proposal (RFP) process, with a lot of help from the State Controller Office (SCO), State Purchasing Office (SPO), Department of Personnel & Administration (DPA) Contracting and client agencies, CCS recently selected it's new

partners in debt collection. Per State Statute, CCS can only keep a new account for 90 days, after which the debt is sent to private collection companies for one year. After that year, the debt goes to a second firm for one year if there is non-sufficient collection activity on the debt.

This year a total of six companies were selected which began doing business with CCS in March 2003. The new private collection companies included NCI, OSI, Alliance One, and Progressive Financial Services. CCS also has included Collection Center Inc. and Collection

Company of America, Inc. (CCA), which, along with VanRu, held contracts for the last three years. The intent for hiring twice the number of companies than in the past was so that CCS could leverage the strengths of it's partners in their specific areas of expertise.

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### Tax Offset - Big Changes By Greg Mechem

This past Tax Offset season was a success in many ways. We were able to resume tax offset of Higher Education accounts, we were able to tax offset more people than ever before and we raised a great deal of money for our clients. There were drawbacks as well. We and our clients were overwhelmed by the sheer volume of statutory hearing requests and related requests for backup documentation, particularly because of the short time frame we are required to adhere to.

We made a number of changes to the process last year, such as starting a month earlier, but it was difficult to foresee how these changes would affect the process. This

year, we are again making a number of changes. Our hope is that these changes will streamline the overall process, ensure compliance with the Statutes, give more time to our clients to provide the backup documentation, and provide debtors with a fair and consistent process.

The first change will be to the debtor. Rather than tearing off a mini-form and sending it in, they will be required to write out a signed request for a hearing. Our hope is that this will encourage those debtors with a valid reason to pursue a hearing and discourage those who are just looking for a way to get out of paying

their debt.

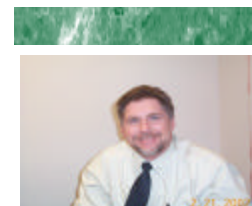
Another significant change will be the time frame of the hearings.

This year we will start the hearing process in September. This will allow the hearing process to be spread out over several months rather than trying to do everything within 30 days. This will also allow us to complete the hearing process prior to sending the electronic matching file from our database to the Department of Revenue in December. This will eliminate the problems we experience with trying

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#### Special points of interest:

- New Acct Worksheet
- Backup on requests
- Tax offset
- On the Horizon



## The Collector's Corner

By Abi Gaskins

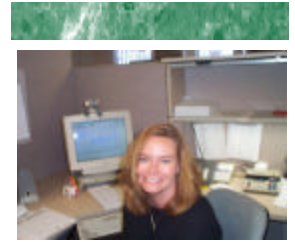
Do you realize how important you, our clients, are to our success? We do our best to explain accounts to debtors, but sometimes only a copy of the bill or invoice will bring in a payment. This is especially true for companies that are unable to pay a bill without an invoice. Please know that we appreciate your prompt response when CCS requests backup on an account.

"And the winner is . . ."—The

monthly contest for CCS for the month of April was for the most payments collected over \$1000. The winners were Mickie Lawrence and Shirley Jimenez with 7 payments. May's contest was for the highest Check-By-Phone payment, won by Steve Swearingen and April Villa with a payment of \$2778.45. The contest for June was for the most money collected for Higher Education accounts,

won by Sam Ulitzky and Craig Fair with \$55,899.38.

WAY TO GO! Thank you Collectors for all your hard work!!



"And the winner is..."

## From the Cube!

By Penny Adkins

<http://www.sctc.state.co.us/accounts/55766.pdf>

The link shown above is to the on-line New Account Worksheet. This tool is to help our client agencies assign accounts to Central Collections via the web. It is primarily designed for agencies that have a small number of assignments or who are manually preparing paper worksheets.

There are a couple of checks that are extremely important for you to watch for when completing these worksheets. **Please make sure the client number is correct.** This number is how CCS identifies you, our client. Most of the time it is your COFRS agency ID. The courts use a J#### num-

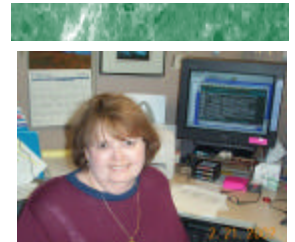
ber (no Os – Jzero). When an incorrect client number is entered, the account is assigned to a default client number. We must then try and figure out who the account belongs to. This is also another reason it is important for you to review your acknowledgment report. If CCS receives a payment for one of these accounts we have no idea who to send the money to

**Please indicate TAX OFFSET ONLY in the memo field only.** This field is located in the bottom left-hand corner of the document. Writing Tax Offset Only anywhere else on the document will NOT insure that the account is loaded to the proper logon.

**Do not enter a total of the assignment fields on the document.** If you need a total, write it on your file copy. If you enter it on the document, many times it will be entered as an additional amount.

**Please only enter ONE account or case per worksheet.**

There are several other methods for assigning accounts to Central Collections via text files or excel files. If you would like to investigate any of these options please have your IT staff contact me at 303 866 6546.



" Couple of checks that are extremely important"

## From the Desk of Victoria!

By Victoria Trujillo

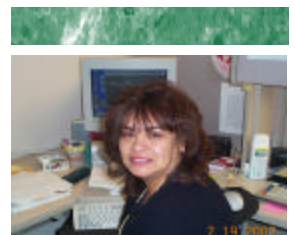
Recently, one of our co-workers, Theresa Stephens, was out on an extended sick leave. As the Support Leadworker, I was a little apprehensive about her leaving. I kept telling myself it would be a great opportunity to re-evaluate and re-educate myself with posting and the many other tasks she regularly performs.

I have to admit I have gained a

new respect for what she does day to day, as well as what others do in my respective area. She is responsible for downloading the lock box program, posting Visa and MasterCard transactions, as well as all regular payments sent to CCS. We sometimes forget how one person's job impacts the day to day process of an organization, "THANK YOU THERESA" Needless to say, I

have a much better appreciation for her talents and skills.

If you have any questions, as always, feel free to contact Mike Sexson or myself.



" I have a new respect for what she does"

## On the Horizon– Continued from Page 1

By Verneeda White

CCS wanted to use their strengths especially in the areas of Federal Perkins/NDSL Loans, Corrections and Judicial (Courts). CCS could not have completed this arduous task without the support of two of its client agency representatives. I would like to thank Bob Atencio at Department of Labor and Employment as well as Bonnie Simkins at the University of Colorado Health Science Center for taking time out of their busy schedules to participate on our selection panel. They did an outstanding job!

The new rates per vendor are as follows:

Alliance One	-	Regions 1,2,3,4&- Courts	14.84%
Collection Center, Inc.	-	Regions 1,2,3	21%
NCI	-	Regions 1,2,4	22.5%
CCA	-	Region 1	19%
Progressive	-	Federal Perkins/NDSL	18%
OSI	-	Region 2	13.9%
	-	Region 3	14.9%
	-	Region 4	12.9%
	-	Corrections	19.9%

CCS looks forward to an excellent year with all of our partners in debt collections.

### Federal Perkins/NDSL Loans

Our second initiative is to increase revenues on all Federal Perkins/NDSL Loans by sending them to Progressive Financial Services (Progressive) for collection immediately after CCS has completed it's mandatory 30 day statutory requirement to allow the debtor the opportunity to dispute the debt. As discussed, Progressive was selected as the vendor of choice to collect on Federal Perkins/NDSL Loans. This approach bypasses our normal procedures to collect on debts in-house for 90 days. However, CCS is able to leverage the expertise of Progressive for a better return on investment due to their experience as well as receiving the debt sooner.

Effective July 1, 2003, all new Federal Perkins/NDSL Loans will go to Progressive for a maximum of one year. After one year of non-significant collection activity, these Federal Perkins/NDSL Loans will be redistributed randomly to a second private collection company as determined by the existing contract. Upon completing a total of twenty-four months at private collection companies, all Federal Perkins/NDSL Loans with non-significant collection activity will be returned to the originating client agency.

Progressive was chosen exclusively to collect Federal Perkins/NDSL Loans for the State of Colorado.

Some of the current customers of Progressive, besides the State of Colorado, include the University of San Francisco, Temple University, University of Arizona, Pratt Institute, University of California, San Diego University and Seattle University. Since 2000, Progressive was selected to collect educational debt for the U. S. Department of Education (DOE). Progressive manages approximately \$200 million in placements for DOE

### Private Counsel RFP

Our third initiative is the hiring of Private Counsel for CCS. CCS submitted approximately 3,000 accounts for litigation to Machol & Johannes. CCS, with the support of SPO and DPA Contracting as well as Richard Pennington, Division Director, Division of Finance and Procurement, is completing the RFP to select the law firm designated as the Private Counsel for litigation of State debt. The RFP was published and open for solicitation on July 1, 2003.

To clear up any misconceptions, which may have come from comments made at the Colorado Association of Administrators of Student Loans and Accounts Receivable (CAASLAR) Conference in March 2003, CCS does not select any of its vendors by low bid. As prescribed by Colorado Revised State Statutes, CCS is obligated to select its Private Counsel through the normal procedures of the RFP process. The three-step process includes 1) Selection of Highest Qualified Offeror – based on initial submittal of proposals, 2) Negotiation/ Oral Discussions – fee negotiation and 3) Attorney General (AG) Designation/ Award – determines if offeror qualifies for Special Attorney General designation. As in the case of the private collection companies, a panel, which includes representation from client agencies, will determine the successful candidate(s) to be reviewed by the AG's office for award. Presently, we are seeking client agency representatives to be a part of the proposal review and the negotiation/oral discussion segments. Mari Aguirre at the University of Colorado-Denver has graciously agreed to be one of our panel members. CCS is looking for one more member. Whoever is selected to participate must be available for both segments of the RFP process. If anyone is interested in participating on the RFP panel, please contact Mike Sexson at (888) 608-3691.

In conclusion, we at CCS are hopefully optimistic about the New Year. With our clients in mind, we envision a lot of great changes to our organization. For the future, CCS will always look for ways in which to serve our clients better. If you have any questions concerning any portion of this article, please contact Mike Sexson at (888) 608-3691 or at his e-mail, which is [mike.sexson@exchange.state.co.us](mailto:mike.sexson@exchange.state.co.us).

## TAX OFFSET - Continued from Page 1

By Greg Mechem

to get the hold on taxes released in a timely manner so the debtor can receive the refund they are entitled to sooner.

Another major change will be in the hearing process. In the past, we have waited to schedule the hearing until we received the backup. If there was any type of discrepancy at the hearing, we again contacted the originating agency for more information and then responded back to the debtor, who may have given us more information, and back to the agency again, etc. etc. This year, upon receipt of a hearing request, we will immediately schedule the hearing for 3 weeks out and notify both the originating agency and the debtor of the date and time. The originating agency is more than welcome to attend the hearing and present any additional, relevant information and/or documentation. If possible, we would like you to provide us with Certification of Final Agency Determination, as referred to in the Statute. This would limit the debtor's ability to contest the validity of the debt at the hearing.

The statutes were changed last year to limit the debtor's ability to dispute the validity of the debt where the institution or agency certifies that the debt is reduced to judgment or the subject of a "final agency determination." Consequently, each originating Agency is encouraged to have a formal process whereby the debtor is provided the opportunity to dispute the validity of the debt. Many of you already do. The Agency then can technically make a "Final Agency Determination" that the debt is valid if the debtor has availed themselves of the Agency's formal dispute process and the debt is thereby validated. In cases where the process is available, and debtors are aware of the dispute process, the debt may also be "final" even though no review was sought. In those cases, where the Agency can certify the debt as "subject to final agency determination or judgment," the issues at the hearing will not include validity of the debt. We will be asking that the Chief Financial Officer of institutions or departments (or

other officer having written delegation) execute that certification. Because the issue of "final agency determination" has legal significance, you may want to contact your legal advisor to determine whether your agency or institution has acceptable procedures for reaching "Final Agency Determinations" in the various categories of debt.

In hearings where the institution or agency has not certified existence of a judgment or "final agency determination," then we will be considering evidence concerning validity of the debt. If you choose not to attend the hearing, we will need you to provide sufficient documentation to substantiate the debt and show that this is the person who owes the debt.

The Hearing will be a more formal process also. Hearings will be recorded. The Hearing Officer will listen to all information provided by both parties, review all documentation provided by both parties, and make a decision following the hearing based upon the information at hand. If the ruling is in the State's favor, we will proceed with the Tax Offset as usual. If the ruling is in the Debtor's favor, the account will be CANCELLED AND RETURNED to the originating agency. We would also notify the State Controller's Office and the individual Controller for the Agency.

We will send the first group of notices out on Monday August 18, 2003. The first group will not include Higher Education accounts, as this is a busy time for them with the start of a new semester. This means the first group of hearings will be held 3 – 5 weeks after the notices go out. The second group of notices would be sent out 2 to 4 weeks after the first group, then the third, and so on and so forth. We will start with a small number and increase with each group. Our goal is to be done with the hearings by mid-December, prior to sending the electronic matching file to the Department of Revenue in the latter part of December.

As we respond to the changing times and changing needs of our customers, we continue to evolve and update and streamline our processes. The Tax Offset Process has grown significantly over the last several years, as has the public's response. This past Tax Offset season has shown us that, in order to manage this process, we need to adapt. We have developed what we believe is the best and most efficient method of providing the rights the debtor is entitled to while minimizing the impact

**"Another major change will be in the hearing process."**

on you, our clients. We welcome any suggestions or comments as to how to improve the process even more.



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Partners in Debt Management!

[WWW.COLORADO.GOV/DPA/DFP/CCS/](http://WWW.COLORADO.GOV/DPA/DFP/CCS/)

## Mission Statement

Working as a team, Central Collections Services (CCS) will exceed client expectations by collecting money in a prompt and cost effective method, while providing superior customer service.

## Thank You For Being My Brother!

By Bennie N. Chacon  
Adams State College



Being the eighth child of nine, my childhood was pretty uneventful. After so many children, not much surprised my parents and we could not get away with hardly anything. Even when we thought we had, it was still old news to them. The other kids had "been there, done that", except for the one thing one of my older brothers did that will stay in my mind and in my heart forever. **It was because of his actions that my life was changed forever also.**

My brother was the first in my family to ask to go to college. Though my parents were supportive, they could not understand why he wanted to spend four years and lots of money to go to college when instead he could be working, earning money, meeting a nice woman, getting married and then thinking about raising a family like everyone else.

My brother didn't want to be like everyone else. He wanted to prove to himself that he could go to college and maybe have more doors open to him because of the extra education so he stood firm. He decided he was going to college with or without their help. So that fall,

he enrolled at Adams State College, which was eighteen miles away from where he lived.

Now, the first year of college was very difficult for my brother. He would ride his 10-speed bike, (yes, this was a long time ago) to the college every Sunday afternoon and mooch sleeping space from his friends all week, then he would ride his bike home on Friday afternoon to be home for the weekend. He was determined not to quit, no matter the obstacle he had to overcome.

After a year of doing this, he had proved to my parents that he was serious on this and that he wasn't going to quit, so they decided to help him get an apartment in Alamosa. This helped a lot, but he still had to figure out how he was going to pay for his education so he decided to join the military so he could get the GI Bill benefits to help him finish school.

To make a long story short, he managed to stay in school and graduate, went to Europe for his

tour of duty, came home, and is now a teacher with not one but two Master's degrees, as well as his Principal credentials. He is a great example of the adage that if you have a goal or a dream it can come true, but it starts with you first believing in yourself, and that is the hardest step in making your dreams come true.

I see my brother as a person that opened the path for me and all my siblings, that if we wanted to go to college and try things that were not the norm in our culture, we were the only ones holding ourselves back. It is up to us as individuals to make things happen.

I smile when I think of my brother changing the lives of not only his family but now, more importantly, every one of his students also just because he would not give up.

Way to go, Bro... Bennie!

### Quote of the Month,

"Choose a job you love, and you will never have to work a day in your life"  
-Confucius